



June 21, 2005

Dear Representative:

The House Energy and Technology Committee will be addressing SB 522 today, a bill that was just introduced on May 19, 2005 to address a Michigan Supreme Court decision handed down in June of 2004 (*Mayor of the City of Lansing v. MPSC and Wolverine Pipeline Co.*). The case involves whether or not local government consent is needed prior to constructing a gas pipeline through the community. However, the bill that is before you goes well beyond the court decision.

SB 522 would open up all limited access highways (federal, state and local roads) for future development of any utility without consent of the local government. The bill is not limited to liquid gas pipelines and would have a dramatic impact on the use of rights-of-way in Michigan. Local governments are charged with regulating the use of public rights-of-way under Michigan law and the Michigan constitution (Article 7; sections 29 and 34). Further, local governments are charged with protecting the public health, safety and welfare of its residents.

The Michigan Townships Association (MTA) is not opposed to facilitating utility infrastructure across our state. MTA understands the need for reasonable infrastructure when appropriately located. In fact, the gas pipeline infrastructure that runs across Michigan today received local consent from the communities in which these pipelines exist. When securing routes for new pipelines, companies seek areas where there is the least amount of population and areas where the company can have ready access to the line for maintenance, repair and emergencies. SB 522, however, would provide an automatic default route for future pipelines and ALL other utilities. Michigan's highways would become these default routes. Pipelines would be allowed to run alongside all limited access highways like I-96 that experience tremendous vibration from 35,000-40,000 cars and trucks a day.

Is locating pipelines and other utility infrastructure along our highways the most appropriate place for pipelines? How does this provide appropriate access to maintain these lines without hindering traffic? What happens in the case of leaks or spills? How long would a highway be closed in the case of a cleanup? How would the pipeline location work in conjunction with other utilities and future lane expansions as Michigan traffic needs grow?

SB 522 also does not incorporate a trend recently included in the Michigan Telecommunication Act that encourages utilities to share existing infrastructure (routes) when establishing new lines. Future pipeline routes should consider the possible use of

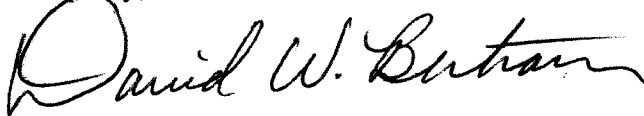
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existing pipeline routes. SB 522 would provide no incentive to use existing routes and would in fact help facilitate the establishment of new lines down our vulnerable highway system.

SB 522 would leave the transportation commission and the public service commission with oversight regarding future pipelines and ALL other utility infrastructure located along limited access highways. These state agencies are charged with jurisdiction over state roads and regulating utilities (setting rates for utilities). Local governments would be shut out of the decision-making process. Local governments should not be stripped of consent provisions in Michigan law and the Michigan constitution related to utility infrastructure in federal, state and local limited access highways.

MTA is opposed to SB 522 in its current form and would encourage that the House limit the broad scope of the bill. MTA is encouraging support for an amendment being offered that would limit SB 522 to liquid gas pipelines routes only (such as the Wolverine pipeline case).

Sincerely,

A handwritten signature in black ink, reading "David W. Bertram". The signature is fluid and cursive, with a large, stylized initial "D".

David W. Bertram
MTA Legislative Liaison